

AMENDED IN ASSEMBLY FEBRUARY 19, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1621

Introduced by Assembly Members Figueroa and Leach
(Principal coauthor: Assembly Member Thomson)
(Coauthors: Assembly Members Bordonaro, Cunneen, and
Kuehl)
(Coauthor: Senator Watson)

January 5, 1998

An act to add Section 1367.63 to the Health and Safety Code, to add Section 10123.84 to the Insurance Code, and to add Section 14132.62 to the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1621, as amended, Figueroa. Health care coverage: reconstructive surgery.

Under existing law, health care service plans are subject to licensure and regulation by the Commissioner of Corporations. Under existing law, disability insurers are subject to licensure and regulation by the Insurance Commissioner. Existing law establishes the Medi-Cal program to provide health care benefits to low-income individuals. Willful violation of the law regulating health care service plans is a crime.

This bill would require health care service plan contracts, and certain policies of disability insurance, issued, amended, delivered, or renewed on or after January 1, 1999, to cover

reconstructive surgery, as defined. The bill would require the treating physician to determine whether a particular procedure is reconstructive surgery for purposes of these provisions and would prohibit a health care service plan or disability insurer from requiring a treating physician to obtain prior authorization. The bill would also require reconstructive surgery to be deemed medically necessary and to be covered under the Medi-Cal program.

By changing the definition of a crime relative to health care service plans, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1367.63 is added to the Health
2 and Safety Code, to read:

3 1367.63. (a) Every health care service plan contract
4 that is issued, amended, delivered, or renewed in this
5 state on or after January 1, 1999, shall cover reconstructive
6 surgery.

7 (b) “Reconstructive surgery” means surgery
8 performed on abnormal structures of the body caused by
9 congenital defects, developmental abnormalities,
10 trauma, infection, tumors, or disease to do either of the
11 following:

12 (1) To improve function.

13 (2) To give a patient a normal appearance.

14 (c) (1) The treating physician shall determine
15 whether a particular procedure meets the criteria of
16 subdivision (b).

17 (2) No health care service plan may require a treating
18 physician to obtain prior authorization for a procedure

1 that has been determined pursuant to paragraph (1) to
2 be reconstructive surgery.

3 SEC. 2. Section 10123.84 is added to the Insurance
4 Code, to read:

5 10123.84. (a) Every policy of disability insurance
6 covering hospital, medical, or surgical ~~benefits~~ *expenses*
7 that is issued, amended, delivered, or renewed in this
8 state on or after January 1, 1999, shall cover reconstructive
9 surgery.

10 (b) “Reconstructive surgery” means surgery
11 performed on abnormal structures of the body caused by
12 congenital defects, developmental abnormalities,
13 trauma, infection, tumors, or disease to do either of the
14 following:

15 (1) To improve function.

16 (2) To give a patient a normal appearance.

17 (c) (1) The treating physician shall determine
18 whether a particular procedure meets the criteria of
19 subdivision (b).

20 (2) No disability insurer may require a treating
21 physician to obtain prior authorization for a procedure
22 that has been determined pursuant to paragraph (1) to
23 be reconstructive surgery.

24 SEC. 3. Section 14132.62 is added to the Welfare and
25 Institutions Code, to read:

26 14132.62. (a) Reconstructive surgery shall be
27 deemed medically necessary and shall be covered under
28 this chapter.

29 (b) “Reconstructive surgery” means surgery
30 performed on abnormal structures of the body caused by
31 congenital defects, developmental abnormalities,
32 trauma, infection, tumors, or disease to do either of the
33 following:

34 (1) To improve function.

35 (2) To give a patient a normal appearance.

36 SEC. 4. No reimbursement is required by this act
37 pursuant to Section 6 of Article XIII B of the California
38 Constitution because the only costs that may be incurred
39 by a local agency or school district will be incurred
40 because this act creates a new crime or infraction,

1 eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section
3 17556 of the Government Code, or changes the definition
4 of a crime within the meaning of Section 6 of Article
5 XIII B of the California Constitution.

6 Notwithstanding Section 17580 of the Government
7 Code, unless otherwise specified, the provisions of this act
8 shall become operative on the same date that the act
9 takes effect pursuant to the California Constitution.

